

LEGISLATIVE BILL 866

Approved by the Governor August 17, 2020

Introduced by Wayne, 13; Hunt, 8; Hansen, M., 26; Vargas, 7.

A BILL FOR AN ACT relating to cities; to amend sections 14-403 and 15-902, Reissue Revised Statutes of Nebraska, and sections 19-901 and 19-902, Revised Statutes Supplement, 2019; to adopt the Municipal Density and Missing Middle Housing Act; to provide zoning requirements for certain cities; to adopt the Middle Income Workforce Housing Investment Act; to create a fund; to provide a civil penalty; to appropriate and transfer funds from the General Fund; to harmonize provisions; to provide a duty for the Revisor of Statutes; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 6 of this act shall be known and may be cited as the Municipal Density and Missing Middle Housing Act.

Sec. 2. The Legislature finds and declares that:

(1) Residential density is beneficial in making better and more cost-effective use of municipal resources and services;

(2) There is a need for affordable housing in municipalities of all sizes in Nebraska. Affordable housing contributes to economic growth by providing housing options for workers of all levels;

(3) Following World War II, municipal zoning codes, ordinances, and regulations in Nebraska and throughout the United States prioritized detached single-family homes and mid-rise to high-rise apartment buildings over other forms of housing stock;

(4) In addition to zoning restrictions, the historic practice of redlining in Nebraska communities has contributed to a lack of affordable housing in many Nebraska municipalities;

(5) Housing stock known as middle housing, while prominent in the early 1900s, has been largely missing in the construction of new housing in the United States since the mid-1940s; and

(6) Examining and updating municipal zoning codes and ordinances to permit varied types of housing stock will provide greater availability of affordable housing, increase residential density, promote more efficient and effective land use, and create conditions for successful mass transit, bikeability, walkability, and affordability in residential neighborhoods.

Sec. 3. For purposes of the Municipal Density and Missing Middle Housing Act:

(1) Accessory dwelling unit means an interior, attached, or detached residential structure that is used in connection with, or that is an accessory to, a single-family dwelling and is located on the same lot or parcel as such single-family dwelling;

(2) Affordable housing means residential dwelling units affordable to a household earning not more than eighty percent of the income limit as set forth by the United States Department of Housing and Urban Development under its Income Limits Documentation System, as such limits existed on January 1, 2020, for the county in which the units are located and for a particular household size;

(3) City means any city of the metropolitan class, city of the primary class, or city of the first class in the State of Nebraska with a population of at least twenty thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census;

(4) Cottage cluster means a grouping of no fewer than four detached housing units per acre with a footprint of less than nine hundred square feet each and that includes a common courtyard;

(5) Density bonus means a density increase over the otherwise maximum allowable residential density under a city's zoning codes, ordinances, and regulations;

(6) Middle housing means:

(a) Duplexes;

(b) Triplexes;

(c) Quadplexes;

(d) Cottage clusters; or

(e) Townhouses;

(7) Townhouse means a dwelling unit constructed in a row of two or more attached units where each dwelling unit is located on an individual lot or parcel and shares at least one common wall with an adjacent unit; and

(8) Workforce housing means:

(a) Housing that meets the needs of working families;

(b) Owner-occupied housing units that have an after-construction appraised value of at least one hundred twenty-five thousand dollars but not more than two hundred seventy-five thousand dollars to construct;

(c) Owner-occupied housing units for which the cost to substantially rehabilitate exceeds fifty percent of a unit's assessed value;

(d) Upper-story housing for occupation by a homeowner; and

(e) Housing that does not receive federal or state low-income housing tax credits, community development block grants, HOME funds as defined in section 81-1228, or funds from the Affordable Housing Trust Fund.

Sec. 4. (1) On or before July 1, 2021, and by each July 1 every two years thereafter, each city shall electronically submit a report to the Urban Affairs Committee of the Legislature detailing its efforts to address the availability of and incentives for affordable housing through its zoning codes, ordinances, and regulations. Such report shall include, but not be limited to:

(a) An overview of the city's current residential zoning requirements;

(b) The percentage of areas in the city zoned for residential use which permit the construction of multi-family housing and middle housing;

(c) A breakdown of new residential construction in the city over the previous five years, including the percentage of such construction that was single-family housing, multi-family housing, and middle housing;

(d) A breakdown of residential units annexed by the city over the previous five years, including the percentage of such units that were single-family housing, multi-family housing, and middle housing;

(e) An estimate of the per unit cost of housing in the city;

(f) Whether such zoning codes, ordinances, and regulations provide for density bonuses or other concessions or incentives which encourage residential density, and the frequency with which such bonuses, concessions, or incentives are utilized;

(g) Whether such zoning codes, ordinances, and regulations allow the construction of accessory dwelling units;

(h) What incentives the city applies to encourage the development of affordable housing, including both direct incentives and regulatory relief;

(i) A demographic analysis of the city with trends and estimates of the housing need classified by housing type and price range; and

(j) Efforts to adopt an affordable housing action plan as required under section 5 of this act.

(2) The Urban Affairs Committee of the Legislature may require any city to present its report to the committee at a public hearing.

Sec. 5. (1) On or before January 1, 2023, each city with a population of fifty thousand or more inhabitants shall adopt an affordable housing action plan. On or before January 1, 2024, each city with a population of less than fifty thousand inhabitants shall adopt an affordable housing action plan. Such action plan shall include, but not be limited to:

(a) Goals for the construction of new affordable housing units, including multi-family housing and middle housing, with specific types and numbers of units, geographic locations, and specific actions to encourage the development of affordable housing, middle housing, and workforce housing;

(b) Goals for a percentage of areas in the city zoned for residential use which permit the construction of multi-family housing and middle housing;

(c) Plans for the use of federal, state, and local incentives to encourage affordable housing, middle housing, and workforce housing, including the Affordable Housing Trust Fund, the Local Option Municipal Economic Development Act, tax-increment financing, federal community development block grants, density bonuses, and other nonmonetary regulatory relief; and

(d) Updates to the city's zoning codes, ordinances, and regulations to incentivize affordable housing.

(2) Any city which fails to adopt an affordable housing action plan as required under subsection (1) of this section shall be required to allow the development of:

(a) Middle housing in all areas in the city zoned for residential use that allow for the development of detached single-family dwellings; and

(b) A duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings.

(3) A city shall amend any building zoning ordinances or regulations as needed to comply with subsection (2) of this section.

Sec. 6. Nothing in the Municipal Density and Missing Middle Housing Act shall be construed to prohibit any city from:

(1) Regulating the siting and design of middle housing provided for under section 5 of this act, except that such regulation shall not prohibit or have the effect of physically precluding the development of middle housing in any residential area; or

(2) Allowing single-family dwellings in areas zoned to allow for single-family dwellings.

Sec. 7. Section 14-403, Reissue Revised Statutes of Nebraska, is amended to read:

14-403 Such regulations shall comply with the Municipal Density and Missing Middle Housing Act and be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic, and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to secure safety from flood; to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements, and to promote convenience of access. Such regulations shall be made with reasonable consideration, among other things, as to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such municipality. Whenever the city council shall determine that the use or contemplated use of any building, structure, or land will cause congestion in the streets, increase the danger from fire or

panic, imperil public safety, cause undue concentration or congregation of people, or impede transportation, the council may include in such regulations requirements for alleviating or preventing such conditions when any change in use or zoning classification is requested by the owner.

Sec. 8. Section 15-902, Reissue Revised Statutes of Nebraska, is amended to read:

15-902 (1) Every city of the primary class shall have power in the area which is within the city or within three miles of the corporate limits of the city and outside of any organized city or village to regulate and restrict: (a) The location, height, bulk, and size of buildings and other structures; (b) the percentage of a lot that may be occupied; (c) the size of yards, courts, and other open spaces; (d) the density of population; and (e) the locations and uses of buildings, structures, and land for trade, industry, business, residences, and other purposes. Such city shall have power to divide the area zoned into districts of such number, shape, and area as may be best suited to carry out the purposes of this section and to regulate, restrict, or prohibit the erection, construction, reconstruction, alteration, or use of buildings, structures, or land within the total area zoned or within districts. All such regulations shall be uniform for each class or kind of buildings throughout each district, but regulations applicable to one district may differ from those applicable to other districts. Such zoning regulations shall be designed to secure safety from fire, flood, and other dangers and to promote the public health, safety, and general welfare and shall comply with the Municipal Density and Missing Middle Housing Act and be made with consideration having been given to the character of the various parts of the area zoned and their peculiar suitability for particular uses and types of development and with a view to conserving property values and encouraging the most appropriate use of land throughout the area zoned, in accordance with a comprehensive plan. Such zoning regulations may include reasonable provisions regarding nonconforming uses and their gradual elimination.

(2)(a) The city shall not adopt or enforce any zoning ordinance or regulation which prohibits the use of land for a proposed residential structure for the sole reason that the proposed structure is a manufactured home if such manufactured home bears an appropriate seal which indicates that it was constructed in accordance with the standards of the Uniform Standard Code for Manufactured Homes and Recreational Vehicles, the Nebraska Uniform Standards for Modular Housing Units Act, or the United States Department of Housing and Urban Development. The city may require that a manufactured home be located and installed according to the same standards for foundation system, permanent utility connections, setback, and minimum square footage which would apply to a site-built, single-family dwelling on the same lot. The city may also require that manufactured homes meet the following standards:

(i) The home shall have no less than nine hundred square feet of floor area;

(ii) The home shall have no less than an eighteen-foot exterior width;

(iii) The roof shall be pitched with a minimum vertical rise of two and one-half inches for each twelve inches of horizontal run;

(iv) The exterior material shall be of a color, material, and scale comparable with those existing in residential site-built, single-family construction;

(v) The home shall have a nonreflective roof material which is or simulates asphalt or wood shingles, tile, or rock; and

(vi) The home shall have wheels, axles, transporting lights, and removable towing apparatus removed.

(b) The city may not require additional standards unless such standards are uniformly applied to all single-family dwellings in the zoning district.

(c) Nothing in this subsection shall be deemed to supersede any valid restrictive covenants of record.

(3) For purposes of this section, manufactured home shall mean (a) a factory-built structure which is to be used as a place for human habitation, which is not constructed or equipped with a permanent hitch or other device allowing it to be moved other than to a permanent site, which does not have permanently attached to its body or frame any wheels or axles, and which bears a label certifying that it was built in compliance with national National Manufactured Home Construction and Safety Standards, 24 C.F.R. 3280 et seq., promulgated by the United States Department of Housing and Urban Development, or (b) a modular housing unit as defined in section 71-1557 bearing a seal in accordance with the Nebraska Uniform Standards for Modular Housing Units Act.

Sec. 9. Section 19-901, Revised Statutes Supplement, 2019, is amended to read:

19-901 (1) For the purpose of promoting health, safety, morals, or the general welfare of the community, the city council of a city of the first class or city of the second class or the village board of trustees of a village may adopt zoning regulations which regulate and restrict the height, number of stories, and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts, and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes. For a city of the first class as described in subdivision (3) of section 3 of this act, such regulations shall comply with the Municipal Density and Missing Middle Housing Act.

(2) Such powers shall be exercised only after the city council or village board of trustees has established a planning commission, received from its

planning commission a recommended comprehensive development plan as defined in section 19-903, adopted such comprehensive development plan, and received the specific recommendation of the planning commission on the adoption or amendment of zoning regulations. The planning commission shall make a preliminary report and hold public hearings on its recommendations regarding the adoption or repeal of the comprehensive development plan and zoning regulations and shall hold public hearings thereon before submitting its final report to the city council or village board of trustees. Amendments to the comprehensive plan or zoning regulations shall be considered at public hearings before submitting recommendations to the city council or village board of trustees.

(3) A comprehensive development plan as defined in section 19-903 which has been adopted and not rescinded by a city council or village board of trustees prior to May 17, 1967, shall be deemed to have been recommended and adopted in compliance with the procedural requirements of this section when, prior to the adoption of the plan by the city council or village board of trustees, a recommendation thereon had been made to the city council or village board of trustees by a zoning commission in compliance with the provisions of section 19-906, as such section existed prior to its repeal by Laws 1967, c. 92, section 7, or by a planning commission appointed under the provisions of Chapter 19, article 9, regardless of whether the planning commission had been appointed as a zoning commission.

(4) The requirement that a planning commission be appointed and a comprehensive development plan be adopted shall not apply to cities of the first class, cities of the second class, and villages which have legally adopted a zoning ordinance prior to May 17, 1967, and which have not amended the zoning ordinance or zoning map since May 17, 1967. Such city or village shall appoint a planning commission and adopt the comprehensive plan prior to amending the zoning ordinance or zoning map.

Sec. 10. Section 19-902, Revised Statutes Supplement, 2019, is amended to read:

19-902 (1) For any or all of the purposes designated in section 19-901, the city council or village board of trustees may divide the municipality into districts of such number, shape, and area as may be deemed best suited to carry out the purposes of sections 19-901 to ~~19-915~~ ~~19-914~~ and may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land within such districts. All such regulations shall be uniform for each class or kind of buildings throughout each district, but the regulations applicable to one district may differ from those applicable to other districts. For a city of the first class as described in subdivision (3) of section 3 of this act, such regulations shall comply with the Municipal Density and Missing Middle Housing Act. If a regulation affects the Niobrara scenic river corridor as defined in section 72-2006 and is not incorporated within the boundaries of the municipality, the Niobrara Council shall act on the regulation as provided in section 72-2010.

(2)(a) The city council or village board of trustees shall not adopt or enforce any zoning ordinance or regulation which prohibits the use of land for a proposed residential structure for the sole reason that the proposed structure is a manufactured home if such manufactured home bears an appropriate seal which indicates that it was constructed in accordance with the standards of the Uniform Standard Code for Manufactured Homes and Recreational Vehicles, the Nebraska Uniform Standards for Modular Housing Units Act, or the United States Department of Housing and Urban Development. The city council or village board of trustees may require that a manufactured home be located and installed according to the same standards for foundation system, permanent utility connections, setback, and minimum square footage which would apply to a site-built, single-family dwelling on the same lot. The city council or village board of trustees may also require that manufactured homes meet the following standards:

(i) The home shall have no less than nine hundred square feet of floor area;

(ii) The home shall have no less than an eighteen-foot exterior width;

(iii) The roof shall be pitched with a minimum vertical rise of two and one-half inches for each twelve inches of horizontal run;

(iv) The exterior material shall be of a color, material, and scale comparable with those existing in residential site-built, single-family construction;

(v) The home shall have a nonreflective roof material which is or simulates asphalt or wood shingles, tile, or rock; and

(vi) The home shall have wheels, axles, transporting lights, and removable towing apparatus removed.

(b) The city council or village board of trustees may not require additional standards unless such standards are uniformly applied to all single-family dwellings in the zoning district.

(c) Nothing in this subsection shall be deemed to supersede any valid restrictive covenants of record.

(3) For purposes of this section, manufactured home shall mean (a) a factory-built structure which is to be used as a place for human habitation, which is not constructed or equipped with a permanent hitch or other device allowing it to be moved other than to a permanent site, which does not have permanently attached to its body or frame any wheels or axles, and which bears a label certifying that it was built in compliance with national Manufactured Home Construction and Safety Standards, 24 C.F.R. 3280 et seq., promulgated by the United States Department of Housing and Urban Development, or (b) a modular

housing unit as defined in section 71-1557 bearing a seal in accordance with the Nebraska Uniform Standards for Modular Housing Units Act.

(4) Subdivision regulations and building, plumbing, electrical, housing, fire, or health codes or similar regulations and the adoption thereof shall not be subject to sections 19-901 to 19-915.

Sec. 11. Sections 11 to 19 of this act shall be known and may be cited as the Middle Income Workforce Housing Investment Act.

Sec. 12. (1) Current economic conditions and limited availability of modern housing units impact the ability of Nebraska's older urban neighborhoods and majority minority communities to maintain residential stability. Low rates of homeownership and a lack of high-quality, non-income restricted rental housing negatively affects the ability of residents of such neighborhoods and communities to achieve housing stability and invest in their neighborhoods and communities. A lack of workforce housing affects the ability of neighborhoods and communities to maintain and develop viable, stable, and thriving economies. A shortage of quality housing in such areas also impacts the ability of local private, nonprofit, and public employers to grow and prosper.

(2) Impediments exist to the construction, rehabilitation, and financing of urban workforce housing. Comparable home sale and appraisal prices do not justify the cost of new construction homes. There is a lack of space that would be large enough for development to achieve cost efficiencies. Due to generations of disinvestment, these neighborhoods and communities frequently receive a stigma that negatively impacts the residential real estate market.

(3) In order to develop attractive housing options that lead to the recruitment and retention of a world-class workforce in Nebraska's older urban communities, it is the intent of the Legislature to use new and existing resources to support creation of workforce housing investment funds. Such funds will be used to encourage development of workforce housing in Nebraska's urban and underserved neighborhoods and communities.

Sec. 13. For purposes of the Middle Income Workforce Housing Investment Act:

(1) Department means the Department of Economic Development;

(2) Director means the Director of Economic Development;

(3) Eligible activities of a workforce housing investment fund means:

(a) New construction of owner-occupied housing in a neighborhood and community with a demonstrated need for housing that is affordable and attractive to first time homebuyers, middle-income families, and the emerging workforce;

(b) Substantial repair or rehabilitation of dilapidated housing stock; or

(c) Upper-story housing development for occupation by a homeowner;

(4) HOME funds means funds awarded as formula grants under the HOME Investment Partnerships Program administered by the United States Department of Housing and Urban Development;

(5) Matching funds means dollars contributed by individuals, businesses, foundations, local and regional political subdivisions, or other nonprofit organizations to a workforce housing investment fund administered by a nonprofit development organization;

(6) Nonprofit development organization means a regional or statewide nonprofit development organization approved by the director;

(7) Qualified activities include purchase guarantees, loan guarantees, loan participations, and other credit enhancements related to eligible activities of the workforce housing investment fund;

(8) Qualified investment means a cash investment in a workforce housing investment fund administered by a nonprofit development organization;

(9) Urban community means any area that is:

(a) In a county with a population greater than one hundred thousand inhabitants as determined by the most recent federal decennial census; and

(b) Within a qualified census tract as described in 26 U.S.C. 42(d)(5)(B), as such section existed on January 1, 2020.

(10) Workforce housing means:

(a) Owner-occupied housing units that have an after-construction appraised value of at least one hundred twenty-five thousand dollars but not more than two hundred seventy-five thousand dollars. For purposes of this subsection (a) and subdivision (b) of this subsection, housing unit after-construction appraised value shall be updated annually by the department based upon the most recent increase or decrease in the Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics;

(b) Owner-occupied housing units for which the cost to substantially rehabilitate such units exceeds fifty percent of a unit's before-construction assessed value, and the after-construction appraised value is at least one hundred twenty-five thousand dollars but not more than two hundred seventy-five thousand dollars;

(c) Upper-story housing for occupation by a homeowner; and

(d) Housing that does not receive federal or state low-income housing tax credits, community development block grants, HOME funds, or funds from the Affordable Housing Trust Fund; and

(11) Workforce housing investment fund means a fund that has been created by a nonprofit development organization and certified by the director to encourage development of workforce housing in urban communities.

Sec. 14. (1) The director shall establish a workforce housing investment grant program to foster and support the development of workforce housing in urban communities.

(2) A nonprofit development organization may apply to the director for

approval of a workforce housing grant for a workforce housing investment fund. The application shall be in a form and manner prescribed by the director. Through fiscal year 2022-2023, grants shall be awarded by the director on a competitive basis until grant funds are no longer available. Grant maximums shall not exceed one million dollars to any one nonprofit development organization over a two-year period, with no more than two million five hundred thousand dollars cumulative for any single grantee through fiscal year 2022-2023. Grants shall require a minimum one-to-one in matching funds to be considered a qualified grant application. Unallocated funds shall be rolled to the next program year. Unallocated funds on June 30, 2025, shall be returned to the Middle Income Workforce Housing Investment Fund.

(3) Grants shall be awarded based upon:

(a) A demonstrated need for additional owner-occupied housing. Need can be demonstrated with a recent housing study or a letter from the planning department of the city in which the fund is intending to operate stating that the proposal is in line with the city's most recent consolidated plan submitted under 24 C.F.R. part 91, subpart D, as such subpart existed on January 1, 2020;

(b) A neighborhood or community that has a higher-than-state average unemployment rate;

(c) A neighborhood or community that exhibits a demonstrated commitment to growing its housing stock;

(d) Projects that can reasonably be ready for occupancy in a period of twenty-four months; and

(e) A demonstrated ability to grow and manage a workforce housing investment fund.

(4) A workforce housing investment fund shall:

(a) Be required to receive annual certification from the department;

(b) Invest or intend to invest in eligible activities for a workforce housing investment fund;

(c) Use any fees, interest, loan repayments, or other funds received by the nonprofit development organization as a result of the administration of the grant to support qualified activities; and

(d) Have an active board of directors with expertise in development, construction, and finance that meets at least quarterly to approve all qualified investments made by the nonprofit development organization. A nonprofit development organization shall have a formal plan and proven expertise to invest unused workforce housing investment fund balances and shall conduct an annual audit of all financial records by an independent certified public accountant.

Sec. 15. (1) The Middle Income Workforce Housing Investment Fund is created. Funding for the grant program described in section 14 of this act shall come from the Middle Income Workforce Housing Investment Fund. The Middle Income Workforce Housing Investment Fund may include revenue from appropriations from the Legislature, grants, private contributions, and other sources. In addition, the Middle Income Workforce Housing Investment Fund shall receive a one-time transfer of ten million dollars on the effective date of this act from the General Fund. Any money in the Middle Income Workforce Housing Investment Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) The department shall administer the Middle Income Workforce Housing Investment Fund and may seek additional private or nonstate funds to use in the grant program, including, but not limited to, contributions from the Nebraska Investment Finance Authority and other interested parties.

(3) Interest earned by the department on grant funds shall be applied to the grant program.

(4) If a nonprofit development organization fails to engage in a qualified activity within twenty-four months after receiving initial grant funding, the nonprofit development organization shall return the grant proceeds to the department for credit to the Affordable Housing Trust Fund.

(5) Beginning July 1, 2025, any funds held by the department in the Middle Income Workforce Housing Investment Fund shall be transferred to the Affordable Housing Trust Fund.

Sec. 16. (1) Each nonprofit development organization shall submit an annual report to the director to be included as a part of the department's annual status report required under section 81-1201.11. The report shall certify that the workforce housing investment fund meets the requirements of the Middle Income Workforce Housing Investment Act and shall include a breakdown of program activities.

(2) The annual report shall include, but not be limited to:

(a) The name and geographical location of the nonprofit development organization;

(b) The number, amount, and type of workforce housing investment funds invested in qualified activities;

(c) The number, geographical location, type, and amount of investments made;

(d) A summary of matching funds and where such matching funds were generated; and

(e) The results of the annual audit required under subdivision (4)(d) of section 14 of this act.

(3) If a nonprofit development organization ceases administration of a workforce housing investment fund, it shall file a final report with the director in a form and manner required by the director. Before July 1, 2025,

any unallocated workforce housing investment fund grant funds shall be returned for credit to the Middle Income Workforce Housing Investment Fund.

(4) If a workforce housing investment fund fails to file a complete annual report by February 15, the director may, in his or her discretion, impose a civil penalty of not more than five thousand dollars for such violation. All money collected by the department pursuant to this subsection shall be remitted to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

Sec. 17. (1) The department shall use its best efforts to assure that any grant funds awarded to a nonprofit development organization are targeted to the geographic communities or regions with the most pressing housing, economic, and employment needs.

(2) The department shall use its best efforts to assure that the allocation of grant funds provides equitable access to the benefits provided by the Middle Income Workforce Housing Investment Act to all eligible neighborhoods and communities.

(3) The director may contract with a statewide public or private nonprofit organization which shall serve as agent for the department to help carry out the purposes and requirements of the Middle Income Workforce Housing Investment Act. The department or its agent may only use for expenses that portion of the funds available for the workforce housing investment grant program through the Middle Income Workforce Housing Investment Fund necessary to cover the actual costs of administering the program.

Sec. 18. (1) As part of the department's annual status report required under section 81-1201.11, the department shall submit a report to the Legislature and the Governor that includes, but is not necessarily limited to:

(a) The number and geographical location of workforce housing investment funds;

(b) The number, amount, and type of workforce housing investment funds invested in qualified activities; and

(c) The number, geographical location, type, and amount of investments made by each nonprofit development organization.

(2) The report to the Legislature shall be submitted electronically.

(3) Information received, developed, created, or otherwise maintained by the department in administering and enforcing the Middle Income Workforce Housing Investment Act, other than information required to be included in the report to be submitted by the department to the Governor and Legislature pursuant to this section, may be deemed confidential by the department and not considered a public record subject to disclosure pursuant to sections 84-712 to 84-712.09.

Sec. 19. The department may adopt and promulgate rules and regulations to administer and enforce the Middle Income Workforce Housing Investment Act.

Sec. 20. There is hereby appropriated (1) \$3,500,000 from the Middle Income Workforce Housing Investment Fund for FY2020-21 and (2) \$7,000,000 from the Middle Income Workforce Housing Investment Fund for FY2021-22 to the Department of Economic Development, for Program 601, to aid in carrying out the provisions of Legislative Bill 866, One Hundred Sixth Legislature, Second Session, 2020.

Total expenditures for permanent and temporary salaries and per diems from funds appropriated in this section shall not exceed \$66,210 for FY2020-21 or \$128,770 for FY2021-22.

There is included in the appropriation to this program for FY2020-21 \$3,328,850 Cash Funds for state aid, which shall only be used for such purpose. There is included in the appropriation to this program for FY2021-22 \$6,273,140 Cash Funds for state aid, which shall only be used for such purpose.

Sec. 21. The State Treasurer shall transfer ten million dollars from the General Fund to the Middle Income Workforce Housing Investment Fund on the effective date of this act or as soon thereafter as administratively practicable.

Sec. 22. The Revisor of Statutes shall assign sections 1 to 6 of this act to a new article in Chapter 19.

Sec. 23. Original sections 14-403 and 15-902, Reissue Revised Statutes of Nebraska, and sections 19-901 and 19-902, Revised Statutes Supplement, 2019, are repealed.